

REVIEW RESOURCES

Lesson 13: Contract Management: Solicitation, Evaluation, and Award

Method of Solicitation

The first step in solicitation and award is the notification to industry that a contracting need exists and the identification of the parameters of that need. Prior to this formal solicitation, the needs identified in the requirements package are synopsized in the Commerce Business Daily or other electronic means.

The solicitation communicates the requirement to industry. The method of contracting determines the method of solicitation:

Contracting Method	Solicitation Method	Term for Contractor Response
Sealed Bidding	Invitation for Bid (IFB)	Bid
Negotiation	Request for Proposal (RFP)	Proposal

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Uniform Contract Format (UCF)

Both IFB and RFP use the Uniform Contract Format (UCF). The UCF is a standardized format for preparing solicitations. It includes a table of contents for the solicitation and 13 sections (A through M) in 4 parts (I through IV).

The Uniform Contract Format for a Request for Proposal

Part I — The Schedules

Section A	Solicitation/contract form
Section B	Supplies or services and prices/costs
Section C	Description/specifications/work statement
Section D	Packaging and marking
Section E	Inspection and acceptance
Section F	Deliveries or performance
Section G	Contract administration data
Section H	Special contract requirements

Part II — Contract Clauses

Section I	Contract clauses
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Part III — List of Documents, Exhibits, and Other Attachments

Section J	List of attachments
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Part IV — Representations and Instructions

Section K	Representations, certifications, and other statements of offerors or respondents
Section L	Instructions, conditions, and notices to offerors or respondents
Section M	Evaluation factors for award

Critical sections include the following:

Critical Section	Contents	Description
Section B	Supplies or Services Prices/Costs	<p>Brief descriptions of required supplies or services, including:</p> <ol style="list-style-type: none"> 1. Quantities 2. National Stock Numbers (if applicable) 3. Part Numbers (if applicable) <p>Each item in this section is identified by a Contract Line Item Number (CLIN).</p>
Section C	Description/Specifications/ Work Statement/SOO/ PBSW	<p>Descriptions, specifications, or additional information to identify additional Government requirements.</p> <p>Section C normally contains a Statement of Work (SOW), which:</p> <ol style="list-style-type: none"> 1. Outlines the tasks for the contractor to perform. 2. Identifies applicable standards (Government and commercial). 3. Tells the contractor <i>what</i> to do, not <i>how</i> to do it. 4. Defines the scope of the work to be performed. The SOW should outline only the requirements that are needed. The more data the contractor must prepare, the more it costs the Government. Also, any specifications/standards should be tailored to fit the requirement. 5. Must be clear, concise, and consistent. If ambiguities exist in description or specifications, the court rules against the Government. <p>Things to be aware in the Statement of Work include:</p> <ul style="list-style-type: none"> • If ambiguities exist in the description or specifications, the court rules against the writer (Government). • The more data the contractor must prepare, the greater the cost, so order only what is needed. • If Federal/military specifications/standards must be used, tailor them to fit the requirements. <p>Tailoring Federal/military</p>

		<p>specifications/standards is important to ensure that unnecessary work (which increases the cost of the contract) is not performed. Many of the specifications/standards require actions (e.g., numerous inspections, generation of reports) that may not be necessary for your requirements.</p> <ul style="list-style-type: none"> • An incomplete tasking may leave a product unfinished, requiring additional work and, of course, additional funding. • Do not dictate how the work will be performed. If you do, and the product does not conform to the specifications, the contractor may not be liable for reperformance—the Government will be.
Section J	List of Attachments	<p>Provides for each attached exhibit or other document:</p> <ol style="list-style-type: none"> 1. Title 2. Date 3. Number of Pages <p>A DD Form 1423, Contract Data Requirements List (CDRL) is often included.</p>
Section L	Instructions, Conditions, and Notices to Offerors or Respondents	<p>Includes solicitation provisions and other information and instructions not required elsewhere in the solicitation to guide offerors in preparing proposals. Information and instructions might include:</p> <ol style="list-style-type: none"> 1. When and where to submit proposals. 2. How to submit proposals (paper, electronic). 3. Page limitations and type size. 4. Organization (format) of the proposal. 5. Past performance information. 6. Required cost or pricing data.
Section M	Evaluation Factors for Awards	<p>Identifies all significant evaluation proposal factors and states the relative importance of each. Some evaluation factors include:</p> <ol style="list-style-type: none"> 1. Price or cost. 2. Past performance. 3. Technical excellence. 4. Management capability. 5. Personnel qualifications. 6. Prior experience. 7. Schedule compliance.

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Evaluation of Proposals and Source Selection

The steps for evaluation and selection of a source for contract award are:

- Compare each proposal to the RFP.
- Compare the proposals to each other.
- Select the source for contract award.
- Determine if the price is fair and reasonable.

In the formal source selection process, a contract moves from the Contracting Officer (CO) to the Source Selection Evaluation Board (SSEB) to the Source Selection Advisory Council (SSAC) to the Source Selection Authority (SSA) and back to the CO. Key players in the source selection process are described in the following table.

Key Player	Responsibilities
Contracting Officer (CO)	<ol style="list-style-type: none"> 1. Ensuring that the source selection process complies with procurement laws and regulations. 2. Providing the proposals to the SSEB for evaluation. 3. Reviewing the proposals to ensure the offerors complied with all the requirements of the solicitation. 4. Communicating with offerors.
Source Selection Evaluation Board (SSEB)	<ol style="list-style-type: none"> 1. Evaluating proposals against the requirements in the RFP. 2. Identifying weaknesses/significant weaknesses. 3. Identifying any deficiency. 4. Establishing the competitive range for the purpose of conducting discussion, based on SSEB evaluation.
Source Selection Advisory Council (SSAC)	<ol style="list-style-type: none"> 1. When requested, performing a comparative analysis of the SSEB's evaluation of each proposal. 2. Forwarding a recommendation to the SSA.
Source Selection Authority (SSA)	<ol style="list-style-type: none"> 1. Overseeing the process and ensuring its integrity. 2. Selecting the source or sources whose proposal is the best value for the Government. 3. Ensuring that qualified personnel are appointed to the SSEB and the SSAC.

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Fair and Reasonable Price Determination

The CO determines if an offeror's price is fair and reasonable by using one of the following techniques:

- Price Analysis
- Cost Analysis
- Technical Analysis
- Field Pricing Support

Analysis	Definition	Techniques
Price Analysis	Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit.	Price analysis techniques include: <ul style="list-style-type: none"> • Comparison of proposed prices received in response to the solicitation. • Comparison of prior proposed prices with current proposed prices for same or similar items. • Application of rough yardsticks (e.g., \$/ton). • Comparison with competitive published price lists. • Comparison of proposed prices with independent Government cost estimates. • Comparison of proposed prices with prices obtained through market research.
Cost Analysis	Cost analysis is the process of reviewing and evaluating the separate cost elements and proposed profit of an offeror's or contractor's cost or pricing data or other cost or pricing information.	Cost analysis techniques include: <ul style="list-style-type: none"> • Applying judgmental factors in projecting from the data to the estimated costs to determine if the proposed costs represent what the cost of the contract should be. • Examining all elements of cost, such as materials, labor, overheads, and profit. Analysis usually requires the submission of cost or pricing data by the offeror, which must be requested specifically in the solicitation. When cost or pricing data are required, the CO should generally request a technical analysis of proposals to review the validity of the technical information provided by the offerors.

Cost analysis is more time-consuming than price analysis, and might increase the contract price.

Cost or pricing data must be specifically required by the Government in the solicitation. Cost or pricing data shall be obtained only if the CO concludes that one of the exceptions on the "Prohibitions on obtaining cost or pricing data" applies (FAR 15.403-1).

When cost or pricing data are required, the technical analysis of proposals by the appropriate technical personnel is generally requested by the CO. The purpose of this analysis is to review the validity of the technical information provided by the offeror.

Field pricing support may be provided by local DOD activities, to include:

- Accountants
- Auditors
- Price/cost analysts
- Negotiators
- Engineers
- Small and disadvantaged business utilization specialists
- Production specialists

The Defense Contract Management Command (DCMC) and the Defense Contract Audit Agency

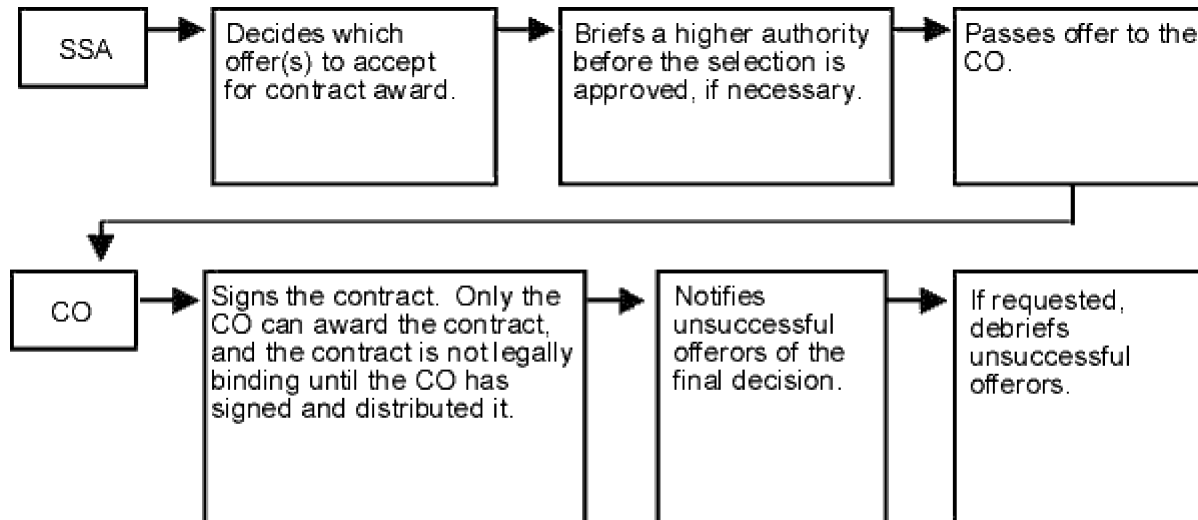
(DCAA) can provide national and international assistance with field pricing support.

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Contract Award

Following are the roles of the SSA and CO in contract award:



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